

Oil rises 4% as U.S. gasoline prices jump to record high



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New York, May 15 (RHC)-- Oil prices rose about 4 percent over the weekend as United States gasoline prices jumped to a record high, China looked ready to ease pandemic restrictions and investors worried supplies will tighten if the European Union bans Russian oil.

Brent futures rose \$4.10, or 3.8 percent, to settle at \$111.55 a barrel. US West Texas Intermediate (WTI) crude rose \$4.36, or 4.1 percent, to settle at \$110.49.

That was the highest close for WTI since March 25 and its third straight weekly rise. Brent fell for the first time in three weeks. U.S. gasoline futures soared to an all-time high after stockpiles fell last week for a sixth straight week. That boosted the gasoline crack spread – a measure of refining profit margins – to its highest since it hit a record in April 2020 when WTI finished in negative territory.

“There has not been an increase in (U.S.) gasoline storage since March,” said Robert Yawger, executive director of energy futures at Mizuho, noting gasoline demand is poised to spike when summer driving season starts on the U.S. Memorial Day holiday weekend.

Automobile club AAA said US prices at the pump rose to record highs on Friday of \$4.43 per gallon for gasoline and \$5.56 for diesel. Oil prices have been volatile, supported by worries a possible EU ban on Russian oil could tighten supplies but pressured by fears that a resurgent COVID-19 pandemic could cut global demand.

“An EU embargo, if fully enacted, could take about 3 million bpd (barrels per day) of Russian oil offline, which will completely disrupt, and ultimately shift global trade flows, triggering market panic and extreme price volatility,” said Rystad Energy analyst Louise Dickson.

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